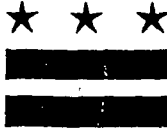


GOVERNMENT OF THE DISTRICT OF COLUMBIA
DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS



CERTIFICATE

THIS IS TO CERTIFY that all applicable provisions of the District of Columbia Limited Liability Company Act have been complied with and accordingly, this **CERTIFICATE OF ORGANIZATION** is hereby issued to:

BLANK ROME GOVERNMENT RELATIONS LLC

IN WITNESS WHEREOF I have hereunto set my hand and caused the seal of this office to be affixed as of the **21st day of September, 2001.**

David Clark
DIRECTOR

Elizabeth O. Kim
Administrator
Business Regulation Administration

Maxine M. Hinson
Act. Assistant Superintendent of Corporations
Corporations Division

MSD/CES/REGISTRATION UNIT
2010 DEC -3 PM 3:36

Anthony A. Williams
Mayor

ARTICLES OF ORGANIZATION

OF

BLANK ROME GOVERNMENT RELATIONS LLC

Pursuant to Title 29, Chapter 13 of the District of Columbia Code (the D.C. Limited Liability Company Act of 1994, the "Act"), the organizer(s) named below adopt the following Articles of Organization:

FIRST: The name of the limited liability company is Blank Rome Government Relations LLC.

SECOND: The period of duration shall be perpetual.

THIRD: The purpose for which this limited liability company has been organized is: To engage in any lawful business that a limited liability company may engage in pursuant to the Act.

FOURTH: The address, including street and number, of the initial registered office of the limited liability company is 400 Seventh Street, N.W., Suite 101, Washington, D.C. 20004 and the name of the registered agent at such address is Federal Research Corporation.

IN WITNESS WHEREOF, the undersigned has executed this Articles of Organization as of the 19th day of September, 2001.

BLANK ROME COMISKY & MCCAULEY LLP

BY: 

Name: David F. Girard-diCarlo

Title: Managing Partner

Blank Rome Comisky & McCauley LLP

One Logan Square, Philadelphia, PA 19103

Address of Organizer

FILE

SEP 21 2001

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS
BUSINESS REGULATION ADMINISTRATION
614 H STREET, N.W. - ROOM 407
WASHINGTON, D.C. 20001

WRITTEN CONSENT TO ACT AS REGISTERED AGENT

TO: THE SUPERINTENDENT OF CORPORATIONS
BUSINESS REGULATION ADMINISTRATION
DEPT. OF CONSUMER & REGULATORY AFFAIRS

(A) BY A DISTRICT OF COLUMBIA RESIDENT

PURSUANT TO THE DISTRICT OF COLUMBIA LIMITED LIABILITY COMPANY ACT
OF 1994 (D.C. CODE, MAY 1994, TITLE 29 CHAPTER 13)

I, _____
A BONA FIDE RESIDENT OF THE DISTRICT OF COLUMBIA, HEREBY CONSENT TO
ACT AS A REGISTERED AGENT FOR:

(NAME OF LIMITED LIABILITY COMPANY)

ADDRESS OF REGISTERED AGENT _____

DATE: _____

(B) BY A LEGALLY AUTHORIZED CORPORATION

THE CORPORATION HEREIN NAMED IS:

Federal Research Corporation

AN AUTHORIZED CORPORATE REGISTERED AGENT IN THE DISTRICT OF
COLUMBIA, PER SIGNATURES OF ITS PRESIDENT/VICE-PRESIDENT AND
SECRETARY/ASSISTANT SECRETARY THIS CORPORATION HEREBY CONSENTS TO
ACT AS REGISTERED AGENT FOR:

(NAME OF LIMITED LIABILITY COMPANY)

Blank Rome Government Relations LLC

SIGNATURE: _____

NAME Michelle Baldwin

OF PRESIDENT
OR VICE-PRESIDENT

ATTEST: _____

NAME Michelle Baldwin

OF SECRETARY
OR ASSISTANT SECRETARY

DATE: _____

9-20-01

BLANK ROME GOVERNMENT RELATIONS LLC

SECOND AMENDED AND RESTATED OPERATING AGREEMENT

MSD/CES/REGISTRATION UNIT
2010 DEC -3 PM 3:39

BLANK ROME GOVERNMENT RELATIONS LLC

SECOND AMENDED AND RESTATED OPERATING AGREEMENT

This Second Amended and Restated Operating Agreement ("Agreement") of Blank Rome Government Relations LLC (the "Company"), a District of Columbia limited liability company, is entered into effective as of the 1st day of January, 2007 ("Effective Date").

BACKGROUND:

The Parent Member formed the Company as a limited liability company pursuant to the District of Columbia Limited Liability Company Act on September 21, 2001. The Members entered into an Amended and Restated Operating Agreement effective as of May 1, 2003, and Parent Member now desires to amend and restate the Amended and Restated Operating Agreement as hereinafter set forth in this Second Amended and Restated Operating Agreement.

NOW, THEREFORE, intending to be legally bound hereby, the parties hereto agree as follows:

SECTION 1

DEFINED TERMS; OPERATION OF COMPANY

1.1 Defined Terms. When used in this Agreement, the following capitalized terms shall have the meanings set forth below:

"Act" means the District of Columbia Limited Liability Company Act.

"Affiliate" means, with respect to any Person, (i) any Person directly or indirectly controlling, controlled by, or under common control with such Person, (ii) any Person owning or controlling fifty percent (50%) or more of the outstanding voting interests of such Person, (iii) any officer, director, general partner, or manager of such Person, or (iv) any Person who is an officer, director, general partner, manager, trustee, or holder of fifty percent (50%) or more of the voting interests of any Person described in clauses (i) through (iii) of this sentence. For purposes of this definition, "controls," "is controlled by," or "is under common control with" shall mean the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract, or otherwise.

"Agreement" means this Operating Agreement, as the same may be amended from time to time.

"Articles of Organization" means the Company's articles of organization as defined in the Act.

"Board of Directors" shall have the meaning set forth in Section 4.3 below.

"Business" means the business of providing lobbying, government relations, public relations, consulting, and other related and like services.

"Capital Account" means the account established and maintained for each Member in accordance with Section 2 of this Agreement.

"Capital Contribution" means the amount of money contributed to the Company by a Member as described in Section 2 of this Agreement.

"Certificate" means the certificate of organization for the Company, and any amendments thereto.

"Code" means the Internal Revenue Code of 1986, as amended.

"Committee" means the Board of Directors, Compensation Committee, or New Business Committee, and any other committee of the Company constituted by the Board of Directors.

"Committee Member" means a member of the Board of Directors, Compensation Committee, or New Business Committee, or a member of any other Committee constituted by the Board of Directors.

"Company" means the limited liability company formed and operated pursuant to the terms of this Agreement.

"Compensation Committee" shall have the meaning set forth in Section 4.5. below.

"Credit Facility(ies)" means any term loan, demand loan, line of credit, letter of credit or other financing facility entered into by the Company with a bank, lending institution, financial institution, equipment lessor, or similar Person.

"Interest" means an ownership interest in the Company, including all of the rights and obligations in connection therewith under this Agreement and the Act.

"Parent Member" means Blank Rome Consulting LLC.

"Member" means the Parent Member, Senior Principal Members, Principal Members, and Associate Members listed on Schedule A attached hereto and made part hereof, and any Person subsequently admitted as a Member in accordance with the provisions of this Agreement.

"New Business Committee" shall have the meaning set forth in Section 4.6 below.

"Officers" shall have the meaning set forth in Section 4.4 below.

"Person" means any individual or any partnership, corporation, trust, limited liability company or other legal entity.

"Regulations" means the income tax regulations promulgated under the Code, as such regulations may be amended from time to time.

"Transfer" means the disposing of or parting with all or a portion of any Interest (legal or equitable), by any means, direct or indirect, absolute or conditional, voluntary or involuntary, including, but not limited to, by sale, assignment, pledge, grant of a lien or security interest, hypothecation, encumbrance, court order, operation of law, equitable or other distribution after divorce or separation (including, but not limited to, pursuant to the Divorce Code or other laws of any state or jurisdiction), settlement, exchange, abandonment, waiver, gift, bequest, alienation, or any other disposition of any nature whatsoever.

1.2 Formation; Name. The Company was formed by the filing of the Certificate. The Members hereby agree to operate the Company as a limited liability company under the Act. The Company shall be operated under the name "Blank Rome Government Relations LLC" or such other name(s) as the Board of Directors may select. The Members shall file such other certificates and documents as are necessary to qualify the Company to conduct business in any jurisdiction in which the Company conducts business. A copy of the Certificate shall be provided to any Member on request.

1.3 Registered Agent and Office; Principal Office. The registered agent and office of the Company required under the Act shall be as designated in the Certificate, and may be changed by the Parent Member at any time and from time to time. The principal business offices of the Company shall be located initially at The Watergate, 600 New Hampshire Ave NW, Washington DC 20037, or such other address as shall be designated by the Parent Member.

1.4 Purpose. The purpose and business of the Company is to engage in lobbying, government relations, public relations, consulting, and other related and like services (the "Business" as defined above). Further, the Company is authorized to engage in any business or activity that may be engaged in by a limited liability company under the Act, and do any and all acts and things necessary, appropriate, advisable, incidental to, or convenient for the furtherance and accomplishment of the Business and its purposes, and for the protection and benefit of the Company. Provided, however, that notwithstanding the foregoing and anything contained in this Agreement to the contrary, the Company is not and shall not act as a law firm and shall not engage in the practice of law or the provide legal services at any time.

1.5 Term. The term of the Company commenced on September 21, 2001, and the Company shall continue until terminated in accordance with this Agreement.

1.6 Title to Property. All real and personal property owned by the Company shall be owned by the Company as an entity and no Member shall have any ownership interest, claim or right of any nature whatsoever in or to such property, and each Member's Interest shall be personal

property for all purposes. The Company shall hold all of its real and personal property in the name of the Company and not in the name of any Member.

1.7 Waiver of Partition. No Member shall, either directly or indirectly, take any action to require partition or appraisal of the Company or of any of its assets or properties, or cause the sale of any Company property, and notwithstanding any provisions of applicable law to the contrary, each Member (other than the Parent Member) hereby irrevocably waives any and all right to maintain any action for partition or to compel any sale with respect to such Member's Interest, or with respect to any assets or properties of the Company, except as otherwise expressly provided in this Agreement.

1.8 No State-Law Partnership. The Members intend that the Company not be a partnership, and that no Member be a partner of any other Member by reason of their respective membership in the Company, for any purposes other than federal, state and local tax purposes, and this Agreement shall not be construed to suggest otherwise.

1.9 Full Time Efforts Except as otherwise approved by the Compensation Committee, each Member shall devote his or her entire business time, efforts and attention to the business and affairs of the Company, and shall account to the Company for all compensation received and attributable to his or her services in any capacity, including, but not limited to, compensation for services rendered in the capacity of a lecturer, speaker, author of business or other non-fiction works, finder, broker, consultant, personal representative, trustee, executor, guardian or other fiduciary.

1.10 Limitations on Member Authority. Except as otherwise authorized by the express provisions of this Agreement or by the prior written consent of the Board of Directors or the President of the Company, no Member (other than the Parent Member, and any Member acting in his or her capacity, if any, as an Officer) shall pledge the credit of the Company or borrow money on behalf of the Company, enter into any contract or commitment on behalf of the Company, or otherwise bind the Company in any way, for any purpose whether or not connected with the Company business or activities.

1.11 No Right to Goodwill. Notwithstanding any other provision of this Agreement or of any applicable statute or law, each Member agrees that: (i) the goodwill of the Company and its Affiliates, if any, is not a distributable, saleable, or transferable asset of the Company or such Affiliate; and (ii) he or she waives and releases any right or claim of any nature whatsoever in or to the goodwill of the Company and its Affiliates, if any, including but not limited to any such right or claim otherwise arising upon the death, retirement, withdrawal, disability, or expulsion of a Member or any other termination of a Member's Interest in the Company for any reason whatsoever, or upon the Dissolution of the Company. Any references in this Agreement to a termination of the Interest of a Member in the Company, also shall be deemed an extinguishment of any right or claim of such Member and his or her personal representatives, heirs, successors and assigns to the Company's and its Affiliates' respective assets, properties and goodwill, if any. The provisions of this section shall not be applicable to the Parent Member.

SECTION 2

CAPITAL

2.1 The capital of the Company shall consist of the assets less the liabilities of the Company, both computed on the cash basis of accounting.

2.2 The Compensation Committee shall determine the Capital Contributions required of each Member and the dates upon which such Capital Contributions shall be paid to the Company.

2.3 The total required individual Capital Contributions of each Member may be changed from time to time by the Compensation Committee. The Parent Member previously paid an initial Capital Contribution of Two Hundred and Fifty Thousand Dollars (\$250,000) to the Company, receipt whereof is hereby acknowledged by the Company, and in addition the Parent Member shall make Capital Contributions as required to fund any shortfall in the distributions required under Section 8.2(b)(iii) below. Notwithstanding anything contained in this Agreement to the contrary, no Member (other than the Parent Member on the terms provided in this Section 2.3 above) shall be required to contribute Capital except from such Member's (i) undistributed share of the profits of the Company, or (ii) guaranteed payments by the Company.

2.4 Except as otherwise expressly provided in this Agreement, interest shall not be paid to any Member on such Member's Capital Account.

2.5 A Member's capital account ("Capital Account") shall be the balance credited to his or her Capital Account in the Company's books and records on the date of this Agreement, increased by any amounts (including undistributed profits) credited as additions thereto by the Compensation Committee, and decreased by any amounts charged thereto for capital withdrawals, draws against profits and distributions of profits, sums due and owing to the Company, and any charges to capital made by the Compensation Committee.

2.6 Any individual Member's (other than the Parent Member's) or Terminated Member's Interest in the Company and Capital Account shall be security for all amounts owed by such Member to the Company and its Affiliates, and the Company may at any time upon notice to such Member or Terminated Member set off against such Member's or Terminated Member's Interest in the Company and Capital Account any and all obligations of and sums due by such Member or Terminated Member to the Company or its Affiliates, in satisfaction, in whole or in part, of such obligations and sums due. In furtherance thereof, each Member (other than the Parent Member) hereby grants to the Company a security interest in and lien on such Member's Company Interest including such Member's Capital Account to secure all obligations of such Member to the Company and its Affiliates.

SECTION 3

MEMBERSHIP

3.1 Members. The names, residence, business or mailing addresses of the Members (other than the Parent Member) are set forth on Schedule A to this Agreement, and may be amended from time to time. The Company shall have the following classifications of Members:

(a) **Parent Member.** The Parent Member shall be Blank Rome Consulting LLC. All voting rights of Members shall be vested in the Parent Member of the Company.

(b) **Senior Principal Member.** A Senior Principal Member shall be any person or entity admitted as a Senior Principal Member in the Company on or after the date hereof. As determined by the Compensation Committee, Senior Principal Members may be "K-1" Members or may be compensated on a "W-2" basis, and may be required to maintain Capital Accounts.

(c) **Principal Member.** A Principal Member shall be any person or entity admitted as a Principal Member in the Company on or after the date hereof. As determined by the Compensation Committee, Principal Members may be "K-1" Members or may be compensated on a "W-2" basis, and may be required to maintain Capital Accounts.

(d) **Associate Member.** An Associate Member shall be any person or entity admitted as an Associate Member in the Company on or after the date hereof. As determined by the Compensation Committee, Associate Members may be "K-1" Members or may be compensated on a "W-2" basis, but they shall not be required to maintain Capital Accounts.

(e) **Membership Guidelines.** The Compensation Committee, with the consent of the Parent Member, shall have the right to adopt guidelines, policies, rules and regulations regarding the distinctions between and the delineations of the foregoing classifications of Members, so long as such guidelines, policies, rules and regulations do not contravene any of the express provisions of this Agreement including the rights and authority of the Parent Member.

(f) **Titles for External Communications.** The Board of Directors shall determine the title or titles to be used by each Member and employee of the Company to describe their position with the Company on web sites, business cards, letterhead, marketing materials, documents, and other external communications, which title or titles may or may not be the same as the membership categories described above. The use of any such title by a Person shall not in any manner affect their status as a Member in the Company.

3.2 Admission of Members. New Members may be admitted, and Member's Membership classifications changed, by affirmative approval of the Board of Directors and ratification of such action by the Parent Member. Each Member shall execute a joinder to or counterpart of this Agreement. After approval and ratification as set forth above, a Person is admitted as a Member of the Company, or a Member's Membership Classification shall be changed, at the time such a joinder or counterpart is executed by such Member.

3.3 No Implied Employment. Each Member acknowledges and agrees that neither the issuance of the Interest to such Member nor anything contained in this Agreement gives such Member any right to be retained in the employ of the Company, or if such Member is an employee of the Company, affects the Company's right at any time to discharge or discipline such Member or to terminate his employment or membership.

3.4 Personal Liability. Except as expressly set forth in this Agreement or as provided by law or statute, no Member shall have any personal liability whatsoever in his capacity as a Member, whether to the Company, to any of the Members or to the creditors of the Company or its Affiliates, or to any third party, for the debts, liabilities, contracts or any other obligations of the Company or its Affiliates or for any Losses or other losses of the Company or its Affiliates. A Member, other than the Parent Member, shall have no power to represent, act for, sign for or bind the Company or its Affiliates in his or her capacity as a Member.

3.5 Member's Meetings. Meetings of the Members may be called at any time by the Parent Member, the Board of Directors, the President or the Chairman. The Company shall endeavor to hold regular advisory Meetings of the Members once each calendar quarter to generally review and report upon the business and operations of the Company. Meetings of Members may be held at such place, within or without the District of Columbia, as shall be designated by the party calling such meeting in the notice of the meeting. If no such place is designated by the party calling such meeting, all meetings of the Members shall be held at the principal office of the Company. All meetings of the Members shall be presided over by the chairman of the meeting, who shall be the Chairman of the Company (or in his absence, the President, or in his absence, another Officer designated by the Chairman). The chairman of any meeting of Members shall determine the agenda and the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as seem to him in order. Written notice of the time and place of each meeting of the Members shall be given by the Company not less than 2 nor more than 30 days before the date of the meeting, either personally, by facsimile, electronic mail, or by mail, to each Member. Notice of a meeting need not be given to any Member who signs a waiver of such notice, whether before or after the meeting. The attendance of any Member at a meeting, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by such Member. A meeting of Members shall not be organized for the transaction of business unless a quorum is present. The presence of a representative of the Parent Member at a meeting shall constitute a quorum.

3.6 Voting by Parent Member.

The Parent Member shall be the only voting Member, and all other Members shall be non-voting Members and shall not have the right to vote on any matter whatsoever.

3.7 Proxies and Written Consents. The Parent Member may vote either in person, or by proxy, or by consent executed in writing by the Parent Member. A telegram, telex, cablegram or similar transmission by the Parent Member, or a photographic, photostatic, facsimile or similar reproduction of a writing executed by the Parent Member shall be treated as an execution in writing

for purposes of this Section.

3.8 Consent of Parent Member in Lieu of Meeting. Any action required or permitted to be taken at a meeting of the Members may be taken without a meeting upon the written consent of Parent Member. The consent(s) shall be filed with the minutes of the proceedings of the Members.

SECTION 4

MANAGEMENT OF THE COMPANY

4.1 General Provisions Concerning Management. Subject to any express limitations contained elsewhere in this Agreement, including without limitation the express powers and authority reserved to the Parent Member in section 4.2 below and in any other provision of this Agreement, (a) the powers of the Company shall be exercised by or under the authority of, and the business and affairs of the Company shall be managed under the direction of, the Board of Directors, (b) the Officers shall make all decisions and take all actions for the Company that are in the ordinary course of business and/or not otherwise expressly provided for in this Agreement, subject to and pursuant to the direction of the Board of Directors, and (c) the Compensation Committee and the New Business Committee shall have the authority expressly delegated to them pursuant to the provisions of this Agreement. The Members, other than the Parent Member, shall not vote on any matter and shall have no right or authority to participate in the management of the Company, except in their capacity as Committee Members or Officers.

4.2 Powers Reserved to the Parent Member. The following matters shall be determined exclusively by and shall require the prior written approval of the Parent Member:

(a) Any amendment, revision or repeal of any provision of this Agreement or the Articles of Organization.

(b) Any material change in the nature of the business conducted by the Company, any Transfer of all or any material part of the Company's assets or business, or any acquisition, merger, consolidation, reorganization, recapitalization, joint venture or similar transaction by or involving the Company.

(c) Ratification of the action of the Board of Directors with respect to the admission of, or change in Member classification of, a Member, or termination of a Member's Interest.

(d) Ratification of the adoption and approval of the Company's budget, and any material modifications to the budget, by the Board of Directors.

(e) The dissolution or liquidation of, or the filing of bankruptcy by, or an assignment for the benefit of creditors by, the Company.

(f) The determination of the size and composition of, and the nomination and election of individuals to, and the removal of individuals from, the Board of Directors.

(h) The determination of the size and composition of, and the nomination of individuals to, and the removal of individuals from, the Compensation Committee.

(i) The determination of the size and composition of, and the nomination of individuals to, and the removal of individuals from, the New Business Committee.

(j) The ratification of the election of Officers of the Company by the Board of Directors.

(k) The adoption of written criteria, policies, and procedures with regard to the intake and retention of Company clients and client matters, client conflicts, and fees.

4.3 Board of Directors. There shall be a Board of Directors of the Company which shall have the general authority and responsibility to supervise, oversee and direct the management, administration and conduct of the Company's business, operations, activities and affairs and the establishment and effectuation of the Company's strategic plan, and with the exception of those matters which are specifically reserved for determination by the Parent Member, the Compensation Committee, and the New Business Committee pursuant to the express provisions of this Agreement. The Board of Directors shall determine how it shall supervise, oversee and direct the management and activities of the Firm. It is contemplated that the Board of Directors will have regular meetings. The Board of Directors shall be composed of not less than two (2) and not more than five (5) individuals nominated and elected by the Parent Member, at least two (2) of whom shall be Senior Principal Members, but the other Directors need not be Members. Subject to the foregoing, the number of Directors constituting the Board of Directors shall be fixed by the Parent Member, and may be adjusted by the Parent Member at any time and from time to time. Each member of the Board of Directors shall be elected for a term of not less than one (1) year and not more than three (3) years, and may succeed himself or herself on the terms herein provided. No elected member shall be elected to serve more than six (6) consecutive years, but nothing shall prohibit a member of the Board of Directors, after having completed an elective term or terms of six (6) consecutive years, and not having served as an elected member for one (1) year, from thereafter being elected to another term or terms as an elected member. Terms of elected members shall commence on January 1 and end on December 31 of an applicable year, and may be staggered as determined by the Parent Member. Each Director shall hold office (and his term shall be extended) until his or her successor shall have been duly elected and shall have qualified, or until he or she shall resign or shall have been removed, whichever first occurs. Any member of the Board of Directors may be removed from the Board of Directors at any time by the Parent Member, with or without cause. Any member of the Board of Directors may resign at any time by written notice to the Parent Member and the Chairman, which resignation shall be effective on receipt or at such subsequent time as may be specified in the notice of resignation. Vacancies on the Board of Directors shall be filled by the Parent Member. Determinations by the Board of Directors shall be by majority vote of all of the members of the Board of Directors with each member having one (1) vote. Any member of the Board of Directors may, by written notice (which may be by electronic mail) to the Chairman or President, authorize the Chairman, President or any other Officer who is then a member of the

Board of Directors, to act as proxy for and to vote on such person's behalf upon any Board of Directors matter. Any such proxy shall be revocable at will by verbal or written notice given to the Chairman or President at any time prior to the time that the proxy is voted on such matter. Except as expressly provided herein, no member of the Board of Directors may authorize a person to vote on such person's behalf by proxy on any Board of Directors matter.

4.4 Officers.

(a) **Generally.** The Company shall have a Chairman, a President and Chief Executive Officer, a Chief Operating Officer, one or more Vice Presidents, a Secretary, a Treasurer and may have one or more Assistant Secretaries, and one or more Assistant Treasurers (collective, the "Officers"). An Officer need not be a Member of the Company, and one individual may hold any number of offices at the same time. Except for the Chairman, President, Secretary and Treasurer, the Parent Member may refrain from filling any of the said Offices at any time and from time to time. The Officers shall be nominated by the Parent Member and elected by the Board of Directors, and each Officer shall be elected for a term of not less than one (1) year nor more than three (3) years, and may succeed himself or herself on the terms herein provided. No Officer shall be elected to serve more than six (6) consecutive years in the same Office, but nothing shall prohibit an Officer, after having completed an elective term or terms of six (6) consecutive years in the same Office, and not having served in such Office for one (1) year, from thereafter being elected to another term or terms in such Office. Terms of Officers shall commence on January 1 and end on December 31 of an applicable year. Each Officer shall hold Office (and his term shall be extended) until his or her successor shall have been duly elected and shall have qualified, or until he or she shall resign or shall have been removed, whichever first occurs. The Board of Directors may remove an Officer from office at any time, with or without cause. Any Officer may resign at any time by written notice to the Parent Member and the Chairman, which resignation shall be effective on receipt or at such subsequent time as may be specified in the notice of resignation. Vacancies may be filled in the manner herein provided for election of Officers.

(b) **Authority.** The authority and responsibilities of the Officers shall be as follows:

(i) **Chairman.** The Chairman shall preside over all meetings of the Officers, the Members, the Board of Directors, the Compensation Committee, and the New Business Committee, and in his absence the President, or in the President's absence such other person as the Chairman shall designate, shall preside over such meetings. The Chairman shall perform such other duties as may be prescribed by the Board of Directors.

(ii) **President and Chief Executive Officer.** The President shall be the Chief Executive Officer and shall have general supervision of all of the day to day business and affairs of the Company; and he shall prescribe the duties of the other officers and employees and see to the proper performance thereof. The President shall be responsible for having all orders and resolutions of the Board of Directors carried into effect. The President shall perform such other duties as may be prescribed by the Board of Directors.

(iii) **Chief Operating Officer.** The Chief Operating Officer shall perform such duties and responsibilities as may be prescribed by the Board of Directors or the President.

(iv) **Vice Presidents.** The Vice Presidents shall perform such duties and do such acts as may be prescribed by the Board of Directors or the President.

(v) **Treasurer.** The Treasurer shall act under the direction of the President. Subject to the direction of the President, he shall have custody of the Company funds and shall keep full and accurate accounts of receipts and disbursements in books belonging to the Company and shall deposit all moneys in the name and to the credit of the Company in such depositories as may be designated by the President or the Board of Directors. The Treasurer shall disburse the funds of the Company as may be ordered by the President, taking appropriate vouchers for such disbursements, and shall on request render to the President and the Board of Directors, at its meetings, an account of all his transactions as Treasurer and of the financial condition of the Company.

(vi) **Secretary.** The Secretary shall act under the direction of the President. Unless a designation to the contrary is made at a meeting, the Secretary shall attend all meetings of the Members and record all of the proceedings of such meetings in a book to be kept for that purpose, and shall perform like duties for the standing committees when required. The Secretary shall give, or cause to be given, notice of all meetings of the Members, and shall perform such other duties as may be prescribed by the President or the Board of Directors. The Secretary shall keep in safe custody the seal of the Company, and, when authorized by the President or the Board of Directors, cause it to be affixed to any instruments requiring it.

(vii) **Assistant Officers.** Any assistant Officers elected by the Board of Directors shall have such duties as may be prescribed by the Board of Directors, the President, or the Officer to whom they are an assistant. Assistant Officers shall perform the duties and have the power of the Officer to whom they are an assistant in the event of such Officer's absence or disability.

4.5 Compensation Committee. There shall be a Compensation Committee of the Company which shall have the authority and responsibility in its sole discretion to determine: (i) the allocation of the Company's profits and losses among the Members; (ii) the timing and amounts of monthly, annual and other Member draws, compensation, guaranteed payments, and other distributions (which may be more or less than the net profits of the Company determined for accounting or income tax purposes); (iii) the amount of, and the timing and amount of contributions to (which shall be made only from draws against profits or profits distributions to Members) or withdrawals from, Members' Capital Accounts; and (iv) other charges against and deductions from Members' draws and distributions. Such determinations by the Compensation Committee shall be binding on all of the Members. The Compensation Committee shall be composed of three (3) individuals who are Members, and who are nominated by the Parent Member and elected by the Board of Directors, each of whom shall be elected for a term of not less than one (1) year nor more than three (3) years, and may succeed himself or herself on the terms herein provided. No elected member shall be elected to serve more than six (6) consecutive years, but nothing shall prohibit a

member, after having completed an elective term or terms of six (6) consecutive years, and not having served as an elected member for one (1) year, from thereafter being elected to another term or terms as an elected member. Terms of elected members shall commence on January 1 and end on December 31 of an applicable year, and may be staggered as determined by the Board of Directors. Each member of the Compensation Committee shall hold office (and his term shall be extended) until his or her successor shall have been duly elected and shall have qualified, or until he or she shall resign or shall have been removed, whichever first occurs. The Board of Directors may remove a member of the Compensation Committee from membership on such committee at any time, with or without cause, subject to ratification of such action by the Parent Member. Any member of the Compensation Committee may resign at any time by written notice to the Parent Member and the Chairman, which resignation shall be effective on receipt or at such subsequent time as may be specified in the notice of resignation. Vacancies may be filled in the manner herein provided for election of members of the Compensation Committee. Determinations by the Compensation Committee shall be by majority vote of all of the members of the Compensation Committee with each member having one (1) vote. The chairman of the Compensation Committee shall determine how it will carry out its functions. The Compensation Committee shall have the authority, but not the obligation, to meet with and solicit the views of other Members, and in its discretion may share any information and include in its deliberations any members of the Blank Rome LLP Distribution Committee.

4.6 New Business Committee. There shall be a New Business Committee of the Company which will have authority to approve or decline new client engagements and new client matter engagements, make decisions with respect to conflicts issues, establish the terms of such engagements, determine that any existing client engagement should be revised or terminated, and manage and administer the intake and approval process for new clients and new client matters, all in strict accordance with written policies, criteria and procedures adopted by the Parent Member from time to time. Prior to the Company undertaking a new client or new client matter, the Company will review actual and potential conflicts with clients of the Company and its Affiliates, and the New Business Committee member who is considering the approval of such engagement will forward a written or electronic notice to all New Business Committee members describing the prospective client and matter, any known related parties, adverse parties or other parties involved, any actual or potential conflicts with other clients of the Company or its Affiliates, the nature and scope of the engagement, the financial terms of the engagement, any related engagements, and the individuals who will be principally involved in such engagement on behalf of the Company and its Affiliates. New client and new client matters will be undertaken by the Company only upon the prior written approval of the acceptance of the engagement and all material terms of the engagement by a member of the New Business Committee, after consultation by such member with another member or members of the New Business Committee. Except as stated in the two immediately preceding sentences, all other determinations by the New Business Committee (such as general policy matters) shall be by majority vote of all of the members of the New Business Committee with each member having one (1) vote. The New Business Committee shall be composed of three (3) individuals, who need not be Members, nominated by the Parent Member and elected by the Board of Directors of the Company, and each of whom shall be elected for a term of not less than one (1) year nor more than three (3) years, and may succeed himself or herself on the terms herein provided. The Board of Directors

shall nominate and elect a Chairman of the Committee from among the Committee members. No elected member shall be elected to serve more than six (6) consecutive years, but nothing shall prohibit a member, after having completed an elective term or terms of six (6) consecutive years, and not having served as an elected member for one (1) year, from thereafter being elected to another term or terms as an elected member. Terms of elected members shall commence on January 1 and end on December 31 of an applicable year, and may be staggered as determined by the Board of Directors. Each member of the New Business Committee shall hold office (and his term shall be extended) until his or her successor shall have been duly elected and shall have qualified, or until he or she shall resign or shall have been removed, whichever first occurs. The Board of Directors may remove a member of the New Business Committee from membership on such committee at any time, with or without cause, subject to ratification of such action by the Parent Member. Any member of the New Business Committee may resign at any time by written notice to the Parent Member and the Chairman, which resignation shall be effective on receipt or at such subsequent time as may be specified in the notice of resignation. Vacancies may be filled in the manner herein provided for election of members of the New Business Committee.

4.7 Managing Principals. The Board of Directors, may organize the Company's business and operations into such Departments and/or Practice Groups as it shall determine, and appoint persons who are Members as "Managing Principals" to manage the day-to-day operations of such Departments or Practice Groups, as applicable. All Managing Principals (i) shall have such responsibility and authority as the Board of Directors may delegate from time to time, (ii) shall be subject to the supervision and direction of, and shall report to, the Officers of the Company as determined by the Board of Directors, and (iii) shall serve for so long as the Board of Directors deems appropriate, and may be removed by the Board of Directors at any time.

4.8 Administrative Heads. The Board of Directors may appoint persons who are Members as the Administrative Head of a particular Company office to manage the day-to-day administrative operations of such office consistent with policies, guidelines and directives established by the Officers and the Board of Directors. All Administrative Heads (i) shall have such responsibility and authority as the Board of Directors may delegate from time to time, (ii) shall be subject to the supervision and direction of, and shall report to, the Officers of the Company as determined by the Board of Directors, and (iii) shall serve for so long as the Board of Directors deems appropriate, and may be removed by the Board of Directors at any time.

4.9 Contracts with Affiliates. The Parent Member or the Officers, on behalf of the Company, may transact business with and enter into contracts and agreements with any Affiliate of the Company, any Member, any Officer, any member of any Committee, or any Affiliate of any of the foregoing, on such terms and conditions as the Board of Directors may determine in its sole discretion.

4.10 Binding Effect of Actions. The Members hereby consent to the exercise by the Officers, the Board of Directors, the Compensation Committee, the New Business Committee, and any other Committee, of the powers conferred on them respectively by law and this Agreement. Each Member shall be bound by, and hereby consents to, any and all actions taken and decisions

made by the Parent Member, the Board of Directors, the Compensation Committee, the Officers, the New Business Committee, and any other Committee, in accordance with the provisions of this Agreement. All third parties shall be entitled to rely upon the actions or decisions of the Parent Member, Officers, and Board of Directors that purport to be on behalf of the Company as being binding upon, and duly authorized by the Company.

SECTION 5

TRANSFERS OF INTERESTS; TERMINATION OF A MEMBER'S INTEREST

5.1 General Restrictions.

(a) **Restriction on Transfers.** Except as otherwise provided in this Agreement, no Member, other than the Parent Member, shall Transfer, or have the right to Transfer, all or any portion of the Member's Interest (including without limitation any Member's financial or governance rights) to any Person, other than the Company. Any purported or attempted Transfer of a Member's Interest in violation of this Agreement shall be null and void. Each Member agrees that the provisions of this section and any restrictions on the Transfer of their Interests contained in this Agreement are manifestly reasonable under the circumstances, are necessary to foster and promote continuity and harmony in the relationships of the Members and the conduct of the Company's and its Affiliates' businesses, and required to protect the legitimate business interests of the Company, its Affiliates, and the Members.

(b) **No Restrictions on the Parent Member.** Notwithstanding any other provision of this Agreement to the contrary, the Parent Member shall not be prevented, limited or restricted in any manner whatsoever from making any Transfer or Transfers of all or any portion of its Interest or rights in the Company.

(c) **Non-Compliance.** In the event any Member (other than the Parent Member) shall Transfer or attempt to Transfer any Interest other than in strict accordance with the provisions of this Agreement, such action shall be void and of no effect, and no distributions of any kind whatsoever shall be paid by the Company in respect of such Interest (all such distributions being deemed waived by such Member), during the period commencing with such Member's initial failure to comply with the provisions of this Agreement and ending when the Member complies with the provisions of this Agreement.

5.2 Requirement to Participate in Sales. Notwithstanding any other provision of this Agreement, if the Parent Member desires to Transfer all or any part of its Interest in the Company, then at the request of the Parent Member the Members shall Transfer all or a part of their respective Interests to the offeror or to the Company on such terms as the Parent Member shall determine in its sole and absolute discretion. Such Transfer shall be deemed to be a Termination of each individual Member's (other than the Parent Member's) Interest (or a part

thereof, as applicable) in the Company pursuant to section 5.3 below.

5.3 Termination of a Member's Interest.

(a) **Termination Events.** An individual Member's (other than the Parent Member's) membership and Interest in the Company shall terminate (a "Terminated Member") immediately in the event of the Member's death, disability, withdrawal, expulsion, involuntary termination, or retirement (a "Termination").

(b) **Withdrawal of a Member.** If any Member shall withdraw from the Company (whether by not less than 30 days advance written notice to the President, or by other affirmative action, or by operation of law, or otherwise), and if upon such withdrawal the provisions of Sections 5.3(c), 5.3(d) or 5.3(e) hereof, or any of them, are not operative with respect to such withdrawal, then the following shall apply. All Interest and rights of such Member in the Company, of whatever kind or nature, shall terminate as of the time of such withdrawal, at which time such Member shall cease to be a Member and shall be a Terminated Member. In recognition that no Member has any exact or determinable over-all interest in the Company, and because of the complexities involved in determining the exact amount or extent of losses, damages, costs and expenses to the Company arising by reason of such Member's withdrawal, in lieu of any valuation of a Member's Interest and as agreed liquidated damages in favor of the Company, any such withdrawing Member shall be entitled to receive, upon demand and without interest, payment of the following sums as the sole and full payment for such Member's entire Interest in the Company:

(i) Except as otherwise expressly provided in this Agreement, the entire amount of such Member's Capital Account shall be paid to such Member within one (1) year of the date of withdrawal, without interest.

(ii) Such Member's undistributed share of Company net profits for the period of the then current fiscal year ending upon the date of such withdrawal, shall be determined by the Compensation Committee pursuant to the applicable provisions of this Agreement, and paid at such times, and subject to such terms and conditions, as the Compensation Committee shall determine in its sole and absolute discretion.

(iii) Such additional amounts, if any, that shall be determined by the Compensation Committee pursuant to the applicable provisions of this Agreement, and paid at such times, and subject to such terms and conditions, as the Compensation Committee shall determine in its sole and absolute discretion.

(c) **Expulsion of a Member.** Any Member's status as a member of the Company and the entire Interest and all rights of such Member in the Company, of whatever kind or nature, may be terminated in the following manner. A Member shall be notified that the Board of Directors will consider the Termination of such Member's status as a Member and such Member will be afforded an opportunity to appear alone or with counsel of his or her choosing before the Board of Directors to discuss the proposed Termination of Company membership status. The

Termination of such Company membership status must be approved by, and shall be effective immediately upon, the majority vote of the Board of Directors and the ratification of such vote by the Parent Member, at which time such Member shall cease to be a Member and shall be a Terminated Member. If such Member is then a member of the Board of Directors, he or she shall not have the right to vote on such matter or, except as expressly provided in the preceding sentence, to appear before or participate in any way in meetings and deliberations of the Board of Directors with respect to such matter. In the event of the Termination of a Member's Interest pursuant to this paragraph, the sole right (in addition to any rights to indemnification under Section 9.3 below) of the Terminated Member shall be to receive, without interest, payment of the following sums as the sole and full payment for such Member's entire Interest and rights in the Company, of whatever kind or nature:

(i) Except as otherwise expressly provided in this Agreement, the entire amount of such Member's Capital Account shall be paid to such Member within one year of the date of Termination, without interest.

(ii) Such Member's undistributed share of Company net profits for the period of the then current fiscal year ending upon the date of such expulsion, shall be determined by the Compensation Committee pursuant to the applicable provisions of this Agreement; and paid at such times, and subject to such terms and conditions, as the Compensation Committee shall determine in its sole and absolute discretion.

(d) **Death.** Upon the death of any Member the following provisions shall apply. Unless otherwise agreed by an individual Member and the Company, the Company shall pay to the estate of a deceased Member the following amounts, without interest unless otherwise expressly stated herein, at the times indicated, as the sole and full payment for such Member's entire Interest in the Company:

(i) The deceased Member's undistributed share of Company net profits for the fiscal year in which death occurs, determined by the Compensation Committee pursuant to the applicable provisions of this Agreement, shall be paid by the Company as soon as practicable, but in no event later than three and one-half (3-1/2) months following the close of the then current fiscal year.

(ii) Except as otherwise expressly provided in this Agreement, the amount of the deceased Member's Capital Account shall be paid within one (1) year after the date of death, with interest commencing three (3) months after death at the rate of six percent (6%) per annum on all amounts paid after such date.

(iii) The sum of One Hundred and Twenty Thousand Dollars (\$120,000) (from and out of the net profits of the Company and representing the deceased Member's share of and participation in the work-in-progress, fees receivable, and continuing receipts of the Company), shall be paid without interest in thirty-six (36) equal monthly installments in the amount of \$3,333.33 each, beginning thirty (30) days after the close of the Company fiscal year during which his or her death occurred. Except as may have been otherwise determined by the

Compensation Committee, such amount shall be reduced by ten percent (10%) for each full year less than ten (10) years that said deceased Member shall have been a Member or associate of the Company or any of its Affiliates.

(iv) Notwithstanding anything to the contrary herein contained, the deceased Member's designated beneficiary shall receive the proceeds of any group life insurance payable on his or her death, if any, and such amount shall not be credited against or in any way reduce the amount to be paid pursuant to the provisions of this section 5.3(d).

(e) **Disability.** Should any Member become physically or mentally disabled and prevented by such disability from performing his or her customary duties and devoting his or her full time and attention to the business of the Company, after determination of such disability by the Board of Directors in its discretion, which determination shall be final and binding on such disabled Member, the following provisions shall apply. Said disabled Member shall, at the time of such determination of disability by the Board of Directors, cease to be a Member and such disabled Member shall be a Terminated Member. In such event, the Company shall pay to the disabled Member the following amounts, without interest unless otherwise expressly stated herein, at the times indicated, as the sole and full payment for such Member's entire Interest in the Company:

(i) The disabled Member's undistributed share of Company net profits for the fiscal year in which he or she ceases to be a Member, determined by the Compensation Committee pursuant to the applicable provisions of this Agreement, shall be paid by the Company as soon as practicable, but in no event later than three and one-half (3-1/2) months following the close of the then current fiscal year. The disabled Member shall continue to draw against his or her distributive share of Company profits for the fiscal year in which he or she ceases to be a Member for the balance of the said fiscal year, such sums and at such times, as the Compensation Committee shall determine.

(ii) Except as otherwise expressly provided in this Agreement, the amount of the disabled Member's Capital Account shall be paid within one (1) year after the date he or she ceases to be a Member, with interest commencing three (3) months after such date at the rate of six percent (6%) per annum on all amounts paid after such date.

(iii) From and out of the net profits of the Company, and so long as the disabled Member is living, continues to be disabled, and does not directly or indirectly engage in the Business or otherwise pursue, as employee or otherwise, a gainful activity related to the Business, he or she shall be paid monthly by the Company the lower of (A) Two Thousand Dollars (\$2,000) or (B) two and one-half percent (2-1/2%) of such Member's share of net profits of the Company for the immediately preceding fiscal year, less any amounts paid to such disabled Member under any disability insurance policies provided through the Company or any of its Affiliates or through any group contract for such insurance applicable to employees, partners or Members of the Company or any of its Affiliates. Anything herein elsewhere contained notwithstanding, and except as otherwise determined by the Compensation Committee, the amount payable by the Company pursuant to this sub-section 5.3(e)(iii) shall be reduced by ten percent (10%) for each full year less than ten (10) years that said disabled Member shall have

been a Member or associate of the Company or any of its Affiliates.

(iv) Anything herein contained notwithstanding, the maximum amount that shall be paid by the Company under section 5.3(e)(iii) shall not exceed two hundred percent (200%) of the total amount that would have been determined to be payable under section 5.3(d)(iii) of this Agreement had the disabled Member died at the same time that he or she ceased to be a Member because of disability.

(v) Upon the death of a disabled Member at a time that he or she was receiving payments pursuant to section 5.3(e)(iii) of this Agreement, there shall be determined the amount that would have been payable pursuant to section 5.3(d)(iii) of this Agreement had such Member died at the time that he or she ceased to be a Member because of such disability (presumed death benefit). The amount of disability payments made pursuant to section 5.3(e)(iii), excluding any disability insurance payments therein referred to, shall be subtracted from the determined presumed death benefit, and the balance (if a positive amount) shall be paid by the Company out of its net profits to the estate of the deceased disabled Member, without interest, in thirty-six (36) equal monthly installments commencing one (1) month following the death of such deceased disabled Member.

(vi) Should a disabled Member wish to resume active association with the Company, the terms and conditions of such association and whether such association shall be permitted shall be determined by the Board of Directors. Such association may include readmission to Member status.

(vii) Nothing herein contained shall preclude a Member who is partially disabled from continuing to be a Member of the Company upon such terms and conditions as may be agreed between such Member and the Board of Directors and Compensation Committee.

(f) **Certain Provisions Not Applicable to Associate Members.** The provisions of sections 5.3(d)(iii) and 5.3(e)(iii) above shall not be applicable to an Associate Member, and Associate Members shall have no rights to any of the payments provided for in those sections.

(g) **Reduction of Certain Payments.** The amounts payable pursuant to sections 5.3(d)(iii), 5.3(e)(iii), and 5.3(e)(v) of this Agreement to any Member who is also a Partner in the Company's Affiliate, Blank Rome LLP ("BR LLP"), shall be reduced dollar-for-dollar by any amounts paid or payable by BR LLP to such Partner pursuant to the provisions of sections 11.2(c), 12.2(c), and 12.3 of the BR LLP Partnership Agreement, and any successor provisions to those sections.

(h) **Complete Termination of Interest.** All Interest and rights of a Terminated Member in the Company, of whatever kind or nature, shall terminate as of the time of such Termination. Each Terminated Member expressly waives the right to receive the fair value of such Member's Interest as of the date of Termination. As a pre-condition to any payments by the Company to such Member and any obligation of the Company to such Member

under this Agreement, if any, and as a pre-condition to such Member's right, if any, to receive the payments provided for in this Agreement and to receive the benefits of this Agreement (including Section 9.2 below), such Member shall sign a separation agreement and release in form and substance acceptable to the Company and its legal counsel.

(i) **No Further Obligations of Company.** Subject to Section 9 below, if applicable, upon payment of the sums provided herein, the Company shall have no further obligation or liability of any nature whatsoever to any Terminated Member.

(j) **Certain Provisions re Accounts Receivable and Work in Progress.** Notwithstanding anything herein stated to the contrary, in the event of the Termination of a Member, if such Member continues to provide services of the nature provided by the Company to or on behalf of, or continues to engage in the Business with, any existing or former clients of the Company, then in addition to any other rights the Company may have, (i) such Member shall provide reasonable assistance to the Company, as requested, in order to enable the Company to be paid in full for all accounts receivable and work in progress due from such clients; (ii) such former Member will pay and apply to the Company, and will cause any business or entity with which he or she affiliates to pay and apply to the Company, any payments which he or she or such business or entity receives from such clients until all of the Company's accounts receivable and work in progress due and owing by such clients shall have been paid in full; and (iii) the Company may, in the sole discretion of the Compensation Committee, assign to such former Member, without recourse and without warranty that such sums are collectible and without any other warranty, all rights to payment for work in progress and accounts receivable of clients who terminate the Company's representation and are thereafter represented by such former Member or any business or entity with which he or she affiliates, and offset such amounts against any amounts due by the Company to such former Member (including, without limitation, his or her Capital Account).

(k) **Offset of Claims.** Notwithstanding any other provision of this Agreement to the contrary, the Compensation Committee, in its sole discretion, shall have the right to offset any claims of any nature whatsoever which the Company or any Affiliate has or may have against a Terminated Member, against such Terminated Member's Capital Account and against any other sums due by the Company to such Terminated Member, and may withhold payment of the Capital Account of a Terminated Member and other sums due to a Terminated Member on such terms as the Compensation Committee deems appropriate pending the resolution of any such matters.

(l) **Limitation of Payments.** Anything herein contained to the contrary notwithstanding, if the Company is required to make payments because of the death and/or disability of more than one Member, under Paragraphs 5.3(c)(iii), 5.3(d)(iii), and 5.3(d)(v), the aggregate of the payments required to be made by the Company for any given fiscal year pursuant to such sections, regardless of the number of payees, shall not exceed ten percent (10%) of the net profits of the Company for the said fiscal year as determined by the Compensation Committee (the "Payment Limitation"). The Payment Limitation shall be apportioned pro rata (based upon the ratio of the amounts that such persons or estates would otherwise have been entitled to receive) among those

persons or estates entitled to such payments. Any amounts which would otherwise be due but which can not be paid in a given fiscal year by reason of the Payment Limitation will be deferred to and be payable in the next fiscal year, again subject to the application of the Payment Limitation and pro-rata apportionment as set forth above. All applicable periods for payment stated in sections 5.3(c)(iii), 5.3(d)(iii), and 5.3(d)(v) shall be extended if necessary to give effect to the provisions of this section.

SECTION 6 **COVENANTS**

6.1 Nondisclosure and Confidentiality. Except with the express prior written consent of the Board of Directors or Parent Member, or except on the Company's behalf in the proper course of the Company's Business, both during such time as a Person is a Member and thereafter, each Member agrees that he or she will not, directly or indirectly, disclose or divulge to any Person or use for his or her own benefit or for the benefit of any Person, any confidential or proprietary knowledge or information concerning the business, operations and management of the Company, no matter how or when acquired, including without limitation any information pertaining to the Company's present and former clients, prospective clients, client engagements, present and former members, associates and employees, fees, costs, expenses, accounts receivable, work in process, other financial information, marketing methods and programs, business plans, strategy, referral sources, computer programs and systems, governance and management provisions and policies, agreements, trade secrets, and policies, in any form or media including written, electronic, and digital (collectively, the "Confidential Information"). For purposes of this agreement, Confidential Information will not include any information which is now or hereafter known by or readily available to the general public, other than as a result of any breach of this Agreement or any other improper act or omission by any Person.

6.2 Company Property. Each Member agrees that all write-ups, notes, materials, memoranda, documents, software or products (in any form or media, including written, electronic and digital) developed or prepared for, or in the course of the business or practice of, the Company, which are not the property of a client of the Company, are the property of the Company, and all title and interest therein shall vest in the Company and shall be deemed to be a work made for hire and made in the course of the services rendered by a Member to or on behalf of the Company. To the extent that title to any such works may not, by operation of law, vest in the Company or such works may not be considered works made for hire, each Member hereby transfers, grants, conveys, assigns and relinquishes exclusively to the Company all of such Member's right, title and interest in and to such works including all rights under patent, copyright, trade secret and trademark law, in perpetuity or for the longest time period otherwise permitted by law.

6.3 Return of Property. Upon termination of a Member's Interest in the Company, each Member agrees to immediately return to the Company all equipment and other property of the Company, and all originals and copies of correspondence, files, documents, manuals, software, magnetic or digital media, instructions, client and prospect lists, fee and cost schedules, data, forms, notes and other materials which contain any of the Confidential Information of the

Company or are otherwise the property of the Company, and agrees not to retain copies of any of those materials.

6.4 Certain Remedies. Each Member agrees that a breach of any of the provisions of this Section 6 will immediately and irreparably harm the Firm's practice and business, including but not limited to the Firm's valuable business relations with its actual and prospective clients, and that compensatory damages cannot be calculated readily and are not in any event an adequate remedy. Accordingly, each Member agrees that in the event of any breach or purported breach of any of the provisions of this Section 6 by a Member, the Firm shall be entitled to specific performance, injunctive relief, and other equitable remedies and relief, in addition to any other available remedies. Further, each Member agrees to reimburse the Firm for all costs and expenses, including reasonably attorneys' fees, which the Firm incurs in connection with the enforcement of its rights against such Member under, or any breach by such Member of, this Section 6 or any other provision of this Agreement.

SECTION 7

BOOKS AND RECORDS; TAX AND FINANCIAL MATTERS

7.1 Books and Records. The Company books and records referenced in section 29-1022 of the Act shall be maintained at the principal office of the Company, and each Member shall have access thereto during normal business hours upon 5 business days advance written notice to the Parent Member and the President. The Members agree that the share of profits and compensation of the Members is confidential and will be limited to the Compensation Committee, and that no Member (other than the members of the Compensation Committee) shall have the right to have access to, inspect, or copy the federal, state or local tax return Schedule K-1 of any other Member, or the record of the compensation or share of profits paid to any other Member.

7.2 Fiscal Year. The fiscal year of the Company shall be January 1 to December 31 of each year, unless otherwise determined by the Parent Member.

7.3 Reports and Tax Returns. The Company books shall be closed and balanced at the end of each fiscal year. The Company shall transmit to each Member after the end of each year the Schedule K-1 (form 1065) for the Member for such year. All tax elections concerning the Company shall be made by the Parent Member.

7.4 Tax Matters Partner. The Parent Member shall designate a person to be the "tax matters partner" under §6231(a)(7) of the Code. The tax matters partner shall promptly and fully transmit to the Parent Member a copy of any written notice or communication received from the Internal Revenue Service by the tax matters partner or submitted to the Internal Revenue Service by the tax matters partner with respect to any tax matter concerning the Company or the Members.

7.5 Banking. All funds of the Company shall be deposited in the name of the Company in such checking, investment, and other account or accounts as shall be designated by

the President. All withdrawals therefrom are to be made upon checks or drafts signed by a Person or Persons authorized by the President.

SECTION 8

TERMINATION AND DISSOLUTION

8.1 Dissolution Events. The Company shall be terminated and dissolved only upon the determination of the Parent Member.

8.2 Liquidation.

(a) **Winding Up.** Upon the dissolution of the Company, the Company's business shall be liquidated in an orderly manner. The Parent Member shall determine which Company property shall be distributed in-kind and which Company property shall be liquidated, and each Member hereby expressly agrees to accept distributions in cash or distributions of property in kind which need not be proportionate. Profits and losses up to and including the liquidation shall be allocated among the Members as determined by the Compensation Committee. The liquidation of Company property shall be carried out as promptly as is reasonably practicable in the discretion and judgment of the Parent Member.

(b) **Payments and Distributions.** Upon the dissolution of the Company, Company property or the proceeds therefrom, to the extent sufficient therefor, shall be applied and distributed in the following order of priority, with no distribution being made in any category set forth below until each preceding category has been satisfied in full:

(i) To the payment and discharge of all of the Company's debts and liabilities, including any debts and liabilities owed to any Member, and to the expenses of liquidation;

(ii) To the establishment of reserves in an amount in the sole discretion of the Parent Member (which Reserves, to the extent no longer needed by the Company, shall be distributed in accordance with the order of priority set forth herein);

(iii) To each Member other than the Parent Member, an amount equal to the aggregate Capital Contributions made by such Member, less the aggregate amount of Capital Contributions previously distributed to such Member;

(iv) To and among the Members in accordance with Section 4.5 of this Agreement.

SECTION 9

EXCULPATION AND INDEMNIFICATION

9.1 Exculpation. No Parent Member, Committee Member or Officer shall be liable, responsible or accountable in damages or otherwise to the Company or to the Members for any

act or omission performed or omitted by the Parent Member, Committee Member or Officer in good faith, pursuant to the authority granted to such Person under this Agreement, and in a manner reasonably believed by such Person to be in the scope of the authority granted to such Person by this Agreement and to be in the best interests of the Company, provided that such Person was not guilty of fraud, willful or intentional misconduct, or recklessness.

9.2 Indemnification of Parent Member and its Affiliates. The Company shall indemnify and hold harmless the Parent Member and any Affiliate of the Parent Member (each an "Indemnified Party") against any claim, action, loss, liability, damage, or expense (including attorneys' and other professional fees, and costs of investigation, litigation and defense) incurred by the Indemnified Party either on behalf of the Company or in connection with the conduct of the Company's Business, without relieving the Indemnified Party of liability for, and provided that such matter does not result from, such Indemnified Party's fraud or willful or intentional misconduct. The satisfaction of any indemnification right or claim shall be from and limited to the Company's assets, and no Member shall have any liability on account thereof. The right to indemnification shall include the right to be paid or reimbursed by the Company the reasonable expenses incurred by the Indemnified Party in advance of the final disposition of any proceeding; provided, however, that the advance payment of such expenses shall be made only upon delivery to the Company of a written affirmation by such Indemnified Party of such Indemnified Party's good faith belief that the Indemnified Party has met the standard of conduct necessary for indemnification under this Agreement and a written undertaking, by or on behalf of such Indemnified Party, to repay all amounts so advanced if it shall ultimately be determined that such Indemnified Party is not entitled to be indemnified under this Agreement or otherwise.

9.3 Limitation of Liability; Indemnification.

(a) Notwithstanding any provision of this Agreement to the contrary, and in addition to and not in limitation of the provisions of section 3.4 above, no Member shall have any personal liability for, and no Affiliates of the Company shall have any liability for (i) payments and obligations of the Company pursuant to the terms of sections 5.3(b), 5.3 (c), 5.3(d), and 5.3(e) above on account of the death, disability, retirement, withdrawal or expulsion of a Member, and (ii) the Company's obligation to assume and satisfy, and indemnify, defend and hold harmless a Terminated Member from, certain Losses, expenses, liabilities and obligations pursuant to the provisions of sections 9.3 (c) and 9.3 (d) below, and the liability for all such payments and obligations shall be limited to the assets of the Company.

(b) As used in this Agreement, the terms "Loss" or "Losses" shall mean any and all actions, causes of action, litigation, claims, debts, dues, accounts, demands, losses, deficiencies, damages, liabilities, obligations, and expenses of any nature whatsoever, including without limitation court costs, legal fees, expert witness fees, and other expenses of litigation, arising from or in connection with or in any manner relating to the Company. The term "Pending Claims" shall mean any Losses pending against or known to the Company or a Member at the time of such Member's voluntary withdrawal or expulsion from the Company. The term "Excepted Losses" with respect to any Member shall mean Losses caused by or arising from or in connection with such Member's (1) willful misconduct or fraud, or (2) breach of this Agreement

or any other written Agreement with or relating to the Company, or (3) willful violation of any federal, state or local law, or other applicable code or rules of conduct, disciplinary, professional or ethical statutes, rules and regulations.

(c) Upon the termination of the interest of a Member in the Company under Section 5.3 above by reason of death or disability of a Member, or a Member's retirement after attaining sixty (60) years of age, then the Company shall assume and satisfy as they become due and shall defend, indemnify and hold harmless such deceased, disabled or retired Member from, any and all Losses, with the sole exception of such Member's Excepted Losses. The Board of Directors shall determine in its sole discretion the manner and extent, if any, to which such deceased, disabled or retired Member shall bear his or her Excepted Losses.

(d) Upon the termination of the Interest of a Member in the Company by reason of voluntary withdrawal or expulsion, or termination for any reason of a separate written agreement (not including this Agreement) between the Member and the Company providing terms of such Member's membership in the Company, the Company shall assume and satisfy as they become due and shall defend, hold harmless and indemnify such withdrawing or expelled Member from, all ordinary business expenses, ordinary obligations, and ordinary liabilities of the Company incurred in the normal course of the Company business, with the following exceptions:

(i) The Board of Directors shall have the right in its sole discretion to determine the portion or amount of any Credit Facilities, other loans, lease obligations, Pending Claims, and Excepted Losses to be assessed against and borne by such expelled or withdrawn Member; provided that, to the extent such Member would not otherwise have individual liability for such claim or liability pursuant to contract or applicable law, such amount shall be paid and satisfied only from and out of such expelled or withdrawn Member's Capital Account, and such expelled or withdrawn Member shall have no liability to the Company pursuant to this provision in excess of such Member's Capital Account. It is the intention of the parties that any expelled or withdrawing Member shall remain liable for the share of Pending Claims and Excepted Losses only to the extent to which such Pending Claims and Excepted Losses could have been assessed against and borne by such Member had such Member remained a Member with Company after the date of withdrawal or expulsion; and

(ii) The Company and/or the Members shall have no obligation to defend, indemnify and hold harmless any such expelled or withdrawing Member from any Pending Claims or Excepted Losses, except to the extent of insurance coverage provided by the Company's applicable insurance policies, and such withdrawal or expulsion shall not exonerate or release any such Member from liability to the Company or to any third party to the extent such Member would have individual liability pursuant to contract or applicable law with respect to any Pending Claims or Excepted Losses.

(e) In the event of any conflict or inconsistency, the provisions of Section 5.3(k) above shall take precedence over the provisions of this section 9.3.

SECTION 10
REPRESENTATIONS AND WARRANTIES

As of the date hereof, and at all times that a Member remains a member in the Company, each of the Members makes to the Company and to each other Member each of the representations and warranties applicable to such Member as set forth in this Section 10, and such representations and warranties shall survive the execution of this Agreement and the Termination of a Member's Interest in the Company:

10.1 Due Incorporation or Formation; Authorization of Agreement. If such Member is a corporation, partnership, trust, limited liability company, or other legal entity, it is duly organized or formed, validly existing, and in good standing under the laws of the jurisdiction of its incorporation or formation and has the power and authority to own property and carry on its business as owned and carried on at the date hereof and as contemplated hereby. Such Member is duly licensed or qualified to do business and in good standing in each of the jurisdictions in which the failure to be so licensed or qualified would have a material adverse effect on its financial condition or its ability to perform its obligations hereunder, and the execution, delivery, and performance of this Agreement has been duly authorized by all necessary corporate or partnership or company action. This Agreement constitutes the legal, valid, and binding obligation of each Member.

10.2 No Conflict or Default. The execution, delivery, and performance of this Agreement and the consummation by such Member of the transactions contemplated hereby (i) will not conflict with, violate, or result in a breach of any of the terms, conditions, or provisions of any law, regulation, order, writ, injunction, decree, determination, or award of any court, any governmental department, board, agency, or instrumentality, or any arbitrator, applicable to such Member, and (ii) will not conflict with, violate, result in a breach of, or constitute a default under any of the terms, conditions, or provisions of the articles of incorporation, bylaws, partnership agreement, or operating agreement of such Member, or of any material agreement or instrument to which such Member is a party or by which such Member is or may be bound or to which any of its material properties or assets are or may be subject.

10.3 Governmental Authorizations. Any registration, declaration or filing with or consent, approval, license, permit or other authorization or order by, any governmental or regulatory authority that is required in connection with the valid execution, delivery, acceptance, and performance by such Member under this Agreement or the consummation by such Member of any transaction contemplated hereby has been completed, made, or obtained on or before the effective date of this Agreement.

10.4 Litigation. There are no actions, suits, proceedings, or investigations pending or, to the knowledge of such Member, threatened against or affecting such Member or any of such Member's properties, assets, or businesses in any court or before or by any governmental department, board, agency, instrumentality, or arbitrator which, if adversely determined, could (or in the case of an investigation could lead to any action, suit, or proceeding which, if adversely determined, could) reasonably be expected to materially impair such

Member's ability to perform its obligations under this Agreement or to have a material adverse effect on the financial condition of such Member.

10.5 Non-Contravention. The execution, delivery and performance of this Agreement does not require such Member to obtain any consent or approval that has not been obtained, and does not contravene or result in a default under any provision of any existing law or regulation applicable to such Member or other governing documents or any agreement or instrument to which such Member is a party or by which such Member is, or may be, bound.

10.6 Sophistication; Investment Representations; Interests Not Securities. Each Member hereby represents and warrants that: (a) he has such knowledge and experience in financial and business matters and is capable of evaluating the merits and risks of membership in and Capital Contributions to the Company, and is making an informed investment decision with respect thereto, and that he has had access to any and all information necessary to arrive at his decision to acquire his Interest; (b) he is able to bear the economic and financial risk of membership in and Capital Contributions to the Company for an indefinite period of time; (c) he is acquiring an Interest in the Company as part of a transaction exempt from registration under the Securities Act of 1933, as amended, and applicable state laws, for his ownership only and not with a view to, or for resale in connection with, any distribution to the public or public offering thereof; (d) the Interests have not been registered under the securities laws of any jurisdiction and cannot be Transferred unless they are subsequently registered and/or qualified under applicable securities laws and the provisions of this Agreement have been complied with, or the Company obtains an opinion of legal counsel experienced in securities matters and satisfactory to the Parent Member that such Transfer will not be in violation of said Act or state laws; (e) No Member shall have any right to require registration of its Interest under said Securities Act or applicable state law and, in view of the nature of the Company and its business and the nature of the Interests, such registration is neither required, contemplated, nor likely; and (f) the Members are not entitled under any circumstances to any return, interest, profit, gain, or appreciation on their Interest or Capital Account, and such Interest and Capital Account are not securities.

SECTION 11

MISCELLANEOUS

11.1 Notices. All notices, approvals, consents, requests, instructions, and other communications intended to be given pursuant to this Agreement shall be validly given, made or served only if in writing and when delivered personally or by registered or certified mail, return receipt requested, postage prepaid, or by a reputable overnight courier, addressed to the Company or the Member at the address that is on record at the principal office of the Company. Any such notice shall be treated as given under this Agreement when the notice is received. The designation of the Person to receive such notice on behalf of a Member or the address of any such Person for the purposes of such notice may be changed from time to time by notice given to the Company pursuant to this Section.

11.2 Successors. This Agreement shall inure to the benefit of and shall be binding upon all of the parties and their respective heirs, successors and permitted assigns.

11.3 Applicable Law. This Agreement and the rights of the parties hereunder shall be interpreted in accordance with the substantive laws of the District of Columbia, without reference to choice of laws principles.

11.4 Amendment. The Parent Member is authorized by the Members to make any amendment or modification to this Agreement or the Articles of Organization in the Parent Member's sole discretion, so long as the amendment or modification is in a writing signed by the Parent Member. The Parent Member agrees to give notice of any amendment to the other Members, but the failure to give any such notice to any Member shall not affect the validity of any amendment in any manner. The Members other than the Parent Member shall not be able to effect any amendment or modification to this Agreement or to the Articles of Organization.

11.5 Entire Agreement. This Agreement contains the entire understanding among the parties with respect to the subject matter hereof and supersedes any prior understandings and agreements between them respecting the subject matter hereof. There are no representations, agreements, arrangements, or understandings, oral or written, between or among the parties hereto relating to the subject matter of this Agreement which are not fully expressed herein.

11.6 Severability. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby but rather shall be enforced to the greatest extent permitted by law.

11.7 Counterparts. This Agreement may be executed simultaneously in one or more counterparts with the same effect as if all of the Members had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

11.8 Construction. When from the context it appears appropriate, each term stated either in the singular or the plural shall include the singular and the plural and pronouns stated either in the masculine, the feminine or the neuter shall include the masculine, the feminine and the neuter. Unless a particular context clearly provides otherwise, the words "hereof" and "hereunder" and similar references refer to this Agreement in its entirety and not to any specific Section or subsection hereof. For the purpose of this Agreement, "including means "including without limitation".

11.9 Headings and Captions. The headings and captions contained in this Agreement are inserted only as a matter of convenience and in no way define, limit or extend the scope or intent of this Agreement of any provisions hereof.

11.10 No Waiver. The failure of any Member to insist upon strict performance of a covenant hereunder or of any obligation hereunder or to exercise any right or remedy hereunder, regardless of how long such failure shall continue, shall not be a waiver of such Member's right to demand strict compliance therewith in the future unless such waiver is in writing and signed by the Member giving the same.

11.11 Additional Instruments. Each Member agrees to execute and deliver such additional agreements, certificates, and other documents as may be necessary or appropriate to carry out the intent and purposes of this Agreement.

11.12 Settlement of Disputes. If there shall be any claims, controversies, demands, disputes, or differences (i) concerning the Company or the Members and their relationship with the Company, or (ii) arising from or relating to this Agreement (collectively, a "dispute"), all the facts and circumstances surrounding or relating to the subject matter of any such dispute shall be kept in strict confidence, and none of the parties involved in such disputes shall at any time disclose any of the matters relating to the dispute to any person or entity except, if appropriate, to the Parent Member, the Board of Directors, the Officers, and lawyers and accountants representing the party or parties involved in the dispute and who agree to be bound by the provisions of this Section 11.12. Furthermore, if the dispute shall become the subject matter of a Court action or arbitration proceeding, all parties involved in any such dispute hereby irrevocably direct and consent to the entry of an order by any Court or arbitrators having jurisdiction thereof permanently impounding and sealing all of the proceedings and papers in such Court action or arbitration and directing that all such papers and proceedings shall not be made part of the public records of any Court or arbitration tribunal or otherwise disclosed to any third party unless such Court having jurisdiction shall find, by further order, that it is in the public interest to do so. Except as otherwise provided in this section 11.12, any disputes between or among the parties hereto or any Persons bound hereby shall be submitted to and settled by arbitration which shall take place in the City of Philadelphia, Pennsylvania, before and in accordance with the Commercial Arbitration Rules then obtaining of the American Arbitration Association ("AAA"). Judgment upon the written award or decision of the arbitrators may be entered in any court having jurisdiction thereof pursuant to the terms of this Agreement. The written arbitration award or decision shall be valid, binding and final, and may include a finding as to the bearing of costs and expenses of the proceeding; and, except as otherwise provided in Section 6.4 above, shall be a condition precedent to any legal action that any party may contemplate except an action to compel arbitration pursuant hereto. The arbitration shall be conducted before a panel of three arbitrators (all of whom shall be either active or retired judges or practicing attorneys, now residing and having engaged in their said respective occupations in the five county Greater Delaware Valley, Pennsylvania area) selected as follows: one shall be designated by each of the opposing parties to the arbitration, and the third arbitrator shall be selected by the two arbitrators so designated by the parties; and any decision or award shall be by majority vote of the arbitrators. Notwithstanding any provision of this Agreement to the contrary, nothing herein contained shall preclude the Company or any Member from (i) resort to judicial process if either the Parent Member or the Board of Directors of the Company or such Member deems it appropriate in its discretion to seek any form of specific performance or equitable or injunctive relief whatsoever against any other party, or (ii) agreement to and use of any alternative dispute resolution procedure authorized by majority vote of the Board of Directors.

11.13 No Third Party Beneficiaries. No provision of this Agreement is intended to or shall be construed to grant or confer any right to enforce this Agreement, or any remedy for breach of this Agreement, to or upon any Person other than the parties hereto.

11.14 Jurisdiction and Process. Subject to Section 11.12 above, each of the parties (a) irrevocably consents to the exclusive jurisdiction of the Court of Common Pleas for Philadelphia County or the United States District Court for the Eastern District of Pennsylvania, in any and all actions between or among any of the parties or relating to the Company, whether arising hereunder or otherwise, and each party waives any objection to the laying of venue of any such action in Philadelphia, Pennsylvania, and (b) irrevocably consents to service of process by first class certified mail, return receipt requested, postage prepaid, or by nationally recognized overnight delivery service, receipt requested, prepaid, to the address as which such party is to receive notice in accordance with Section 11.1.

11.15 Expenses. All costs and expenses (including, without limitation, all legal fees and expenses and fees and expenses of any brokers, finders or similar agents) incurred in connection with this Agreement and the transactions contemplated hereby shall be paid by the party incurring the same.

IN WITNESS WHEREOF, the Parent Member has executed this Agreement, intending to be legally bound hereby, as of the day and year first above written.

Parent Member:
Blank Rome Consulting LLC

By: 

David E. Girard-diCarlo, Authorized Officer

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